



Texas Department of Health

Section I: Background

A: Creation and Powers

The Texas Department of Health (TDH) is a large, complex state agency containing numerous and diverse programs all designed to protect and promote health. The agency is composed of the Texas Board of Health; the Commissioner of Health; and the programs and staff in the eleven public health regions, Austin headquarters, Texas Center for Infectious Disease, and South Texas Hospital. TDH is a dynamic agency that is evolving to meet the changing and increasingly complex public health needs of Texas. In many ways, TDH touches the lives of every Texan on a daily basis through such varied activities as controlling the spread of rabies, licensing home health agencies, inspecting children's toys for safety, and ensuring that the poor receive medical care. The common thread which ties this diverse collection of programs together is the fundamental mission of TDH:

To protect and promote the health of the people of this State. . .

In 1879, the Texas Legislature established the position of State Health Officer, who was appointed by the Governor, to combat epidemics of yellow fever, smallpox, and cholera in Texas. By 1891, the organization was called the Texas Quarantine Department. In 1903, the Legislature renamed the organization the Department of Public Health and Vital Statistics. This organization was later abolished in 1909 and replaced by the Texas State Board of Health, which included the State Health Officer, and along with its supporting administrative organization, eventually became the Texas State Health Department.

Over the next 88 years, TDH's responsibilities grew dramatically for a variety of reasons. Public health matured from a system for basic sanitation and quarantine for infectious disease control to a sophisticated, population-based science also applied to public health problems related to the environment, individual behaviors, and occupational hazards. Public health became a multi-disciplinary endeavor combining medicine, engineering, sociology, statistics, management, psychology, microbiology

economics, accounting, political science, and law into a mechanism designed to minimize preventable disease, injury, and disability.

As scientific discoveries were made and public health technologies advanced, new interventions for preventing and controlling the spread of disease were established. Over the years, the public and government gradually realized that public health measures benefit everyone and, therefore, should be a societal responsibility. Public health programs and responsibilities in Texas likewise multiplied. New developments in environmental contaminants and emerging infectious diseases continue to challenge public health today.

Although public health agencies and institutions started at the local level in the United States, federal and state funding and legislation play a major role in these expanded responsibilities by providing resources and mandates to support public health interventions in Texas. The federal government's role began in 1920 with the creation of the Federal Board of Maternity and Infant Hygiene that established the first direct federal funding of personal health services. From the 1930s through the 1960s, increases in both federal requirements and funds for public health resulted in additional undertakings in Texas such as public health nursing, nutritional education, and chronic disease prevention and control. In the 1980s, a new federal philosophy began shifting more responsibility to the states with an accompanying decrease in federal funds. This sentiment continues today. As the state's role increases in developing and implementing programs, state legislation plays an expanded role in TDH operations. For example, House Bill 7, passed by the 72nd Legislature, which transferred the Acute Care Medicaid program to TDH, transformed TDH from being a public health agency and direct service provider to also being a major purchaser of health care.

Key Events

The broad trends and events mentioned above are the major forces which have shaped the Texas Department of Health into the agency it is today. Below is a chronological time line of when **samples** of various programs were created within TDH and when programs were moved in or out of the agency.

1920 - 1930

Vital statistics	Food and drug safety
General sanitation	Public health education
Maternal and child hygiene	Laboratories
Rural health sanitation	Venereal disease control
Communicable disease control	

1930 - 1950

Public health nursing	Hospital survey, construction
Crippled children's services	Local health services
Bedding regulation	Tuberculosis control
School health services	Cancer control
Mental health	

1950 - 1960	Nursing and convalescent homes Radiation control Hospital licensure Emergency medical services	Occupational health Water pollution control Chronic disease prevention Heart disease prevention
1960 - 1980	Vector control Marine resources Nutrition Federal women, infants, and children's nutrition program Title XIX medical and dental screening; and immunization	Wastewater technology and surveillance Veterinary public health Kidney health care
Transferred to other state agencies	Mental health Industrial water pollution control	Air pollution control
1980 - 1997	Professional licensing Home health agency licensing Birth defects monitoring Office of Minority Health	Health care facility licensing (in addition to hospitals) HIV/AIDS services Tanning facilities and tattoo studios
Transferred from TDH to other state agencies	Solid waste disposal Drinking water regulation Long term care licensing, certification, survey and investigations	Sewage waste disposal Radioactive waste disposal
Transferred to TDH from other state agencies	Preventive health services programs (EPSDT, Family planning) Acute care services (Medicaid) Genetics screening and counseling	Medically Dependent Children Program Indigent health care program

Recent Events

Shift from Clinical Services for Individuals to Population-Based Public Health Services

TDH and the local health departments have gradually modified the way they do business due to the evolution of the health care delivery system and public health priorities. In the past, public health agencies were primary safety net providers of clinical health care services. Public health generally was able to provide limited preventive and primary care, with referrals to other providers for more complex or emergency care. Medicaid expansions and the growth of managed care have supported efforts to enroll patients in a "medical home" where they can get comprehensive health care 24 hours a day. These changes combined with limited resources have led TDH to alter its priorities activities. This has included reducing the agency's involvement in clinical service delivery and emphasizing broad-based services such as community health education, quality assurance, disease and injury surveillance and outbreak investigations. This shift has allowed TDH to focus on population-based services that can improve the health of many, and enabled better use of limited funds. On the other hand, this service delivery shift has reduced revenues earned by TDH and other public health agencies for providing direct clinical services. In the past, this revenue has helped support population-based public health efforts.

Medicaid Expansion and its Impact on Maternal and Child Health Programs

Changes in the Medicaid program over the years have resulted in changes to TDH's maternal and child health care programs. In 1984, federal law shifted the eligibility focus away from welfare eligibility. In 1987, the federal government gave states the option to cover pregnant women and infants under 185% of poverty. In 1989, federal legislation mandated coverage of pregnant women and children under age 6 to 133% of poverty and expanded the Early Periodic Screening, Diagnosis, and Treatment program (EPSDT). In 1990, states were required to phase in coverage of children ages 6 through 18 to 100% of poverty. These expansions in the Medicaid program have led to a shift in health services traditionally provided by public health clinics to the private sector. These changes culminated in TDH's **Title V Futures Project**. The Title V Futures Project was a strategic planning process established to review existing programs and make changes in Maternal and Child Health and Children with Special Health Care Needs services in order to respond to decreasing resources and a changing health care environment. The project helped redefine the role of public health in Texas' maternal and child health programs. Contracting of direct services increased while direct delivery of clinical services by state employees decreased. At the same time, there was no adverse impact in services to indigent women and children.

Increased State Role in Hospital and Home Health Agency Licensing

In response to decreased funding from the U.S. Health Care Financing Administration and a changing list of priorities in the licensing of hospitals and home health entities, TDH created the **Health Facility Licensing Division** in January 1995 to set meaningful standards for quality of care and consistent enforcement. In 1995, the **Health Facility Compliance Division** was requested to participate in "Operation Restore Trust," a project designed to abate Medicare and Medicaid fraud, waste, and abuse in home health agencies and durable medical equipment suppliers. This six-month pilot project led to ongoing investigative activities for TDH.

Emerging Infectious Diseases and Laboratory Needs

Both worldwide and in Texas, the spectrum of infectious disease is changing rapidly in conjunction with dramatic societal and environmental changes. TDH programs have been "retooled" to meet the challenges presented by emerging diseases such as Ebola virus, hantavirus pulmonary syndrome, *E. coli* O157:H7, and antibiotic resistant bacteria. To meet the escalating need for public health laboratory services and replace existing outdated facilities, the 74th Legislature authorized TDH to build a **new laboratory and office building**. Concurrently, the authorization was given to sell bonds to finance the project. Construction on the authorized project began in August 1997 and completion is scheduled for the year 2000.

Medicaid Managed Care and Hospital Selective Contracting

The desire at both the state and federal levels to control rising Medicaid expenditures while at the same time assuring appropriate access to services has led to increased implementation of **managed care**. Concurrent with the national trend, the 72nd Legislature directed the Medicaid program to implement managed care pilot projects in Travis County and the Galveston area. Senate Bill 10 subsequently directed TDH to begin the expansion of managed care on a statewide basis. By the end of 1997, there will be approximately 450,000 Texas Medicaid clients enrolled in managed care programs. It is expected that the statewide expansion will be completed by the year 2001.

The expansion of Medicaid managed care also has had an impact on public health service delivery at the regional and local levels. TDH regional offices and local health departments are redirecting their efforts from direct services to technical support and core public health functions.

In an effort to obtain more services for each Medicaid dollar, Senate Bill 79 of the 72nd Texas Legislature authorized the Texas Medicaid program to initiate the **LoneStar Select Contracting Programs**. LoneStar Select I has resulted in lower Medicaid rates for in-patient hospital services by competing Medicaid business among general acute medical/surgical hospitals. LoneStar Select II, implemented in 1995, heightened competition to provide acute in-patient mental health services among freestanding psychiatric facilities. Savings over \$75 million per year are being realized from these two programs.

Conclusion

Over the last 118 years, the Texas Department of Health has grown from a small program charged with combating smallpox and yellow fever epidemics to a large, multifaceted organization. Changes at both the federal and state levels of government have resulted in new roles and expectations for TDH. Although the structure and programs have changed over the years, the agency remains steadfast in its mission to better protect and promote the health of the people of Texas.